
NEWS RELEASE

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Katrina Remants, Severe Weather Raise Risk of Fraud

Board for Contractors Warns Consumers: Beware of Unlicensed Contractors

RICHMOND – The need for repairs following flooding and high winds can make consumers vulnerable to unscrupulous contractors and repairmen who may exploit the situation. As a result of recent severe weather in the aftermath of Hurricane Katrina, the Virginia Board for Contractors cautions the public to be wary of unlicensed contractors and home repair scam artists.

“In the aftermath of severe weather, homeowners trying to make repairs can be vulnerable to con artists,” warns agency spokesperson Mary Broz. “Consumers can protect themselves by checking for a valid contractor’s license and insisting on a detailed written contract.”

Virginia law requires a state license – not just a local business license – for most contracting work or bids over \$1,000. Consumers have very little recourse against unlicensed contractors. The Board for Contractors offers a free consumer guide, *What You Should Know Before Hiring a Contractor*, available for download at www.dpor.virginia.gov.

Before hiring a contractor, consumers should observe the following “Top Ten Tips:”

1. Hire only licensed contractors.
2. Check for a valid contractor license at www.dpor.virginia.gov or (804) 367-8511.
3. Get three references and review past work.
4. Get at least three bids.
5. Insist on a written contract and do not sign anything until you understand the terms.
6. Pay 10 percent down or \$1,000, whichever amount is less.
7. Do not let payments get ahead of the work. Keep records of all payments.
8. Do not make final payment until you are satisfied with the job.
9. Do not pay cash.
10. Keep a job file of all papers relating to your project (change orders, warranties, etc.).

SCAM SIGNALS:

- High-pressure or scare tactics
- Over-friendly sales pitches
- “Material left-over”
- Escalating prices
- Deals that sound too good to be true

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